

MEMORANDUM OF UNDERSTANDING

Between

Hennepin County

And

Minneapolis Community Development Agency

This Memorandum of Understanding (the Agreement) is made as of the 1st day of December, 2002 by and between the Hennepin County, a Minnesota political subdivision, through its Taxpayer Services Department (the County) and the Minneapolis Community Development Agency, a public body corporate and politic (the MCDA) .

WHEREAS, the County and the MCDA have determined that it is in their mutual interests to ensure cooperation and coordination between the Hennepin County Taxpayer Services Department, Tax Forfeit and Property Revenue Section and the Minneapolis Community Development Agency (MCDA) in order to help implement Hennepin County Board Resolution No. 99-12-930R1 and Hennepin County Board Resolution No. 02-4-259. Hennepin County Board Resolution No. 99-12-930R1 addressed the need for affordable housing by reviewing Hennepin County's tax-forfeit and surplus land policies to determine new methods to promote affordable housing. Hennepin County Board Resolution established the "Minneapolis/Hennepin County Collaborative on Vacant, Boarded and Tax Forfeit Buildings and Properties"(Hereinafter designated as "BBTF") to facilitate the availability and preservation of affordable housing; and

WHEREAS, Hennepin County Taxpayer Services Department has already instituted a successful rehabilitation program to return tax-forfeit housing stock to be available for public auction pursuant to Minnesota Statutes, section 282.01; and

WHEREAS, the MCDA is a redevelopment agency instituted under Minnesota Statutes, Chapter 469, and has a long and successful history of returning dilapidated neighborhood housing stock to productive re-use including private home ownership; and

WHEREAS, the MCDA has identified certain areas within the City of Minneapolis that have been designated "Targeted Neighborhoods" pursuant to Minnesota Statutes, section 469.201 through 469.205. Minnesota Statutes, section 282.01, subdivision 1b provides a framework for Hennepin County to transfer and the MCDA to obtain tax forfeited properties located within a targeted neighborhood; and

WHEREAS, it is the mutual wish of Hennepin County Taxpayer Services Department and the MCDA to collaborate by reducing the administrative delays in providing redevelopment of tax forfeited properties within targeted neighborhoods.

NOW THEREFORE, it is mutually agreed between the parties that the following procedures will govern redevelopment of tax-forfeited property within Minneapolis' targeted neighborhoods:

1. Tax-Forfeiture Proceedings and Initial Classification:

- A. Hennepin County Taxpayer Services will initiate tax-forfeiture proceedings as required by law;
- B. MCDA, where appropriate to do so, will initiate court proceedings for abandoned tax-delinquent properties as provided for under M.S. 281.173 and 281.174;
- C. Hennepin County Taxpayer Services will in a timely manner conduct initial inspections of newly tax-forfeited structures;
- D. Hennepin County Taxpayer Services will in a timely manner provide informal notification of new tax-forfeiture parcels to MCDA;
- E. Hennepin County Taxpayer Services will classify new tax-forfeitures 2-4 times annually;
- F. Hennepin County Taxpayer Services will provide a “minimum bid appraised value” for each tax forfeited property located within the targeted neighborhood; the MCDA may review the minimum bid appraised value.
- G. MCDA, Hennepin County and other members of “BBTF” will review the classification list, appraised values, highest and best use, environmental impact and neighborhood input to determine which method of redevelopment, MDCA or Hennepin County Tax Forfeited Auction would best serve the citizens of Minneapolis and Hennepin County. The “BBTF” will respond to classification within the 60-day period provided by law;
- H. MCDA will inform Hennepin County within 60 days if intends to use its priority status to acquire property;
- I. Hennepin County Taxpayer Services will enforce 6-month municipal holds that are properly enacted within the 60-day response period provided by tax-forfeit classification

2. PROCEDURES TO PROVIDE FOR DEVELOPMENT VIA THE MCDA

- A. When the “BBTF” determines that a targeted neighborhood tax forfeited property should be developed by the MCDA, the MCDA will have the option to defer payment of the minimum bid appraised value;
- B. Should the MCDA defer payment of a tax forfeited property’s minimum bid appraised value, the MCDA shall then have a period of three years to redevelop and market the property;

- C. If after three years the property is undeveloped or unsold, the MCDA then can either:
- a) purchase the property at the previously determined minimum bid appraised value
 - or,
 - b) re-convey the property back to the State of Minnesota
- In either of these situations, the administrative cost of holding the property shall be borne by the MCDA;
- D. Should the property be developed or sold within the three year period, upon closing the Hennepin County Taxpayer Services Department shall be paid the previously determined minimum bid appraised value, less administrative cost of holding and developing the property;
- E. The administrative costs of holding and developing the property shall be ten percent (10%) of the previously determined minimum bid appraised value unless the agency can substantiate a larger cost of administration.

3. ADMINISTRATION

- A. The County and the MCDA each acknowledge and agree that the administration of this Agreement is a collaborative effort between the County and the MCDA.
- 1. The Hennepin County Taxpayer Services Department shall represent the County in its performance of this Agreement and shall supervise and direct all County personnel assigned to work on this Agreement.
 - 2. The MCDA shall supervise and direct all MCDA personnel assigned to work on this Agreement.
 - 3. Neither party shall have authority to supervise or direct any activities or personnel of the other party under this Agreement.
 - 4. The County and the MCDA agree to maintain a supportive, cooperative working relationship with each other in their respective performance under this Agreement.

4. TIME OF PERFORMANCE

The performance of this Agreement shall commence as of the date first indicated upon this Agreement and shall continue until December 31, 2005 unless earlier terminated. This Agreement may be extended upon the mutual written consent of the parties hereto.

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5. NOTICES

Communication and details concerning this Agreement shall be directed to the following contract representatives:

Hennepin County: Patrick H. O'Connor, Director
Taxpayer Services Department
Hennepin County Auditor-Treasurer
A 600 Hennepin County Government Center
Minneapolis, MN 55487

MCDA: Charles Lutz
Interim Executive Director
Minneapolis Community Development Agency
150 Fifth Avenue South
Minneapolis, MN 55401

6 DATA PRIVACY

The parties agree to abide by all applicable State and Federal Laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and/or data including but not limited to information made nonpublic by such laws or regulations.

7. TERMINATION AND AMENDMENT

Unless terminated earlier, this Agreement shall terminate on the date indicated at Section 4 herein. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. This Agreement may be amended at any time by written agreement of both parties.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Hennepin County

By_____

Date:_____

Approved as to form:

Assistant County Attorney

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By:_____

Date:_____

Approved as to form:

Assistant Development Counsel